

# The Changing Public-Private Pension Mix in Europe: From Path Dependence to Path Departure

Bernhard Ebbinghaus\*

Mareike Gronwald\*\*

*MZES, University of Mannheim, Draft Paper, January 2009*

*Claims of “path dependence” have been made in respect to the long-term development of pension systems in Europe. This paper maps the evolution of the public-private mix of old age pension provision in eight European countries. It describes the way in which past decisions in expanding public pensions had repercussions for the space of development for private (occupational and personal) pensions. The process of institutional change is examined by analysing three critical junctures in a comparative historical analysis. First, the early decisions toward a Bismarckian earnings-related social insurance for older workers or a Beveridge-type basic pension for citizens to prevent poverty had major repercussions for further reforms. The second juncture was the successful (or failed) expansion of public pension systems to safeguard living-standards of the middle classes by earnings-related state pensions, leaving less (or more) space for private initiative, that is crowding out (or in) non-state supplementary pensions. Finally, the more recent pension reforms are considered in respect to their impact on the public-private pension mix, indicating that “path departure” has been possible in recent shifts away from state to private responsibilities for old age income.*

## **Introduction**

Claims of “path dependence” have been made in respect to the long-term development of pension systems in Europe. However, current public debate about a universal policy shift towards the “privatization” of public pension schemes (OECD 1992; IMF 1997) does not take into account the cross-national diversity in public and private pensions. While comparative analyses of public policies have provided us with a better understanding of the major differences in welfare state regimes (most notably Esping-Andersen 1990), the evolution of the public-private mix needs more closer scrutiny (for an early study see Rein and Rainwater 1986). Any definition of private (occupational and personal) pensions meets the largely soft, often historically moving, and nationally specific borderlines between public and private, universal and occupational, mandatory and voluntary, collective and individual, state regulated and self- or unregulated schemes (Shalev 1996: 4-7). In particular, the firm-provided or collectively negotiated occupational welfare arrangements have been studied less, partly because they seem to be less widespread, more fragmented, and in a state of flux. It is this contingency and interdependence that requires a comparative-historical approach undertaken here, searching for similarities and differences in the shaping of private pensions in the context of earlier decisions concerning public pensions across countries and over time.

Recent empirical studies on reform processes seek to go beyond time-invariant fixation of welfare regime analysis à la Esping-Andersen and adopt a more differentiated analysis that also focuses more closely on “two worlds” of pension systems (Bonoli 2003; Palier and Bonoli 1995): a Bismarckian social insurance and a Beveridge basic pension variant. Adopting an institutionalist

perspective, the timing and sequence of events is of importance for subsequent development (Hacker 2005). While Bismarckian systems decided early on to establish pay-as-you-go earnings-related benefits that bind future generations to past decisions (Myles and Pierson 2001), the Beveridge-type systems can be classified into “early-birds” (Sweden) and “latecomers” (UK), depending on the maturity of earnings-related supplementary pensions (Hinrichs 2000: 358). In some countries (Netherlands, Denmark) government’s non-decisions “crowded-in” occupational schemes, compensating the income gap left by flat-rate state pensions (Andersen and Larsen 2002; Blomsma and Jansweijer 1997). Despite these findings, we lack thus far a systematic comparative account that explains the different “paths” of public pensions and the shift toward private pensions.

Historical institutionalists see institutions emerging from more or less conscious choices by collective actors at critical junctures. Even if it is often impossible to precisely predict a critical juncture, retrospective analysis can reveal the factors leading to the emergence of a new institution as the result of the interactions of collective action by individual and corporate actors in a given historical situation. However, this does not imply that the institution was necessarily planned or intended to operate in the way it actually emerged. The critical juncture model serves first and foremost as a working hypothesis that needs to be studied in historical comparative research.

The evolution of the public-private pension mix is characterized by two junctures that led to path dependent regimes, and a more recent third juncture of path departure. Public policy, in particular social security, has an impact on the opportunities for private forms of old-age provision, but this holds also vice versa. Moreover, the state-as-employer as well as the state-as-regulator shapes also occupational welfare in addition to its direct responsibility for the state schemes. In pension insurance, probably more than elsewhere, the national legacies last heavily on the postwar development. In old age security systems, the early decisions towards a Bismarckian (earnings-related) social insurance or a Beveridge-type basic pension for all citizens have had major repercussions for private pension development. There are two major sets of hypotheses, more or less explicitly advanced in the literature (Hinrichs 2000);(Larsen and Andersen 2006; Whiteside 2006): the crowding-out thesis applied to Bismarckian systems, and the insufficient state pension thesis to explain the rise of occupational pension in systems with insufficient pensions, particularly for higher income groups.

The low degree of private pension development under Bismarckian systems is commonly attributed to the status maintenance guaranteed by the earnings-related public pensions, thereby “crowding out” private pensions (Øverbye 1992). The **“crowding-out” thesis** postulates that Bismarckian pension systems, such as in Germany, are limiting the developmental space for private occupational pensions because state pensions provide for sufficient earnings-related benefits (except for very high income groups due to contribution ceilings). Moreover, it is assumed that the involvement of labour unions and employers in the self-administration of social insurance, common in Bismarckian schemes, minimizes their interest in establishing additional collective pension schemes.

The **“insufficient state pension” thesis** postulates that Beveridge basic pension systems, particularly those “lite” systems that did not develop a sufficient and mature earnings-related state

pension (Myles and Pierson 2001), have the largest potential for occupational pension development. This was particularly the case in Great Britain, where an earnings-related supplementary pension system was introduced much later and employers or individuals were given the opportunity to “opt out” from the state earnings-related system. However, in Beveridge “plus” systems, such as in Sweden that introduced earnings-related state supplementary pensions at an earlier stage, the need for additional private or occupational pensions is more limited. In addition, it is not only government inactivity in the area of public pension system improvement that incrementally crowds in occupational and personal pension schemes, but also labour union strategies and employers actions. Unions have tended to push for state pension improvement first, but when employers are willing to negotiate occupational pension in return for wage moderation, an opportunity for collective schemes emerges.

More recent reforms indicate however, that “path dependence” in the sense of path stabilization may be overcome. A *path departure* becomes increasingly likely when more significant changes in the environment occur and the self-reinforcing mechanism provides sufficient resources for gradual adaptation. Here, the most relevant idea is of open path dependence, in which earlier decisions narrow the choice set but do not determine the next adaptive step. Path departure lies between locked-in inertia, when nothing effectively changes the basic foundation, and radical system change, when everything is built *de novo*. Yet between these extremes, path departure also entails various forms and often occurs through a variety of simultaneous processes: First, long-term *gradual changes* that sum up over time to important reorientations (Pierson 2000b). Second, a *functional transformation* through which the same institution serves a different purpose than initially intended (Thelen 2003). Third, institutional *layering* occurs through the addition of (new) institutional arrangements with divergent orientation (Thelen 2003).

At today’s juncture of pension reform, there might be path departure in pension development, such that private pension laggards have recently developed such schemes. To evaluate if pension policy has departed from its former “path”, we need to study the current transformation process and scrutinize the effects of ongoing privatization. This evaluation will require a comparative historical approach to trace cross-national convergence or renewed diversity. Contrary to the path dependence thesis, recent retrenchment and restructuring reforms varied greatly across Europe – even within countries of the same regime. A multitude of comparative politics approaches attributed the success or failure of structural pension reforms to the “veto points” provided by political institutions (Bonoli 2001) and the electoral competition between political parties (Immergut et al. 2007). In order to limit electoral repercussions, the “New Politics” approach assumes that politicians use obfuscating or blame diffusing strategies through consensus building (Weaver 1986) or social pacts with unions and employers (Schludi 2005).

These comparative political studies offer an explanation of the varying capacities for welfare state reform and also revealed the unintended consequences public policy could provoke in the responses of non-state actors. However, the comparative political analysis focused on the “big” (politically contentious) reforms at the institutional level whereas the gradual privatization remained

largely neglected. These studies treated the development of occupational pensions rather as by-product of the politically induced reforms. This chapter will look more closely at the interaction between “top-down” public reforms and “bottom-up” responses by private actors.

This chapter therefore attempts to map the cross-national institutional diversity in the evolution of the public-private mix of old age pension provision. It describes the way in which institutional arrangements in occupational pensions evolved over time and interact with the public system. In the following the process of institutional change is examined by analysing critical junctures in the evolution of the public-private pension mix. First, the early legacy and path dependent post-war dynamics in the formation of state pensions will be sketched in a diachronical, comparative account. In particular the early path dependent decisions toward basic pensions (*à la* Beveridge) or earnings-related social insurance (*à la* Bismarck) will be compared. The second, juncture will be the successful vs. belated or even failed expansion of public pension systems to include earnings-related second state pensions in Beveridge-type systems or the further expansions of earnings-related pension benefits in Bismarckian systems to secure living standards in old age. The main focus will be on the question whether these public pension decisions had an impact on the private pension development (or even vice versa). Finally, the more recent pension reforms will be considered with regard to their impact on the public-private pension mix, through a summary of the politics of reform and reasons for change. Indeed, countries that had crowded out occupational and personal pensions have seen a recent shift towards adding such schemes.

## **1. The First Juncture and Path Dependence: Bismarck vs. Beveridge**

While some company pension schemes predate state pension legislation, the formation of the welfare *state*, in particular the introduction of mandatory old-age insurance schemes had an important impact on the further development of occupational pensions. The first juncture concerns the fundamental decision to introduce a Bismarckian social insurance for major occupational groups or a basic pension for older people (“Beveridge” *avant la lettre*) before or around the first world war. The British **Beveridge** report of 1942 against the giants of “Want, Disease, Ignorance, Squalor and Idleness” had extended the idea of universal social benefits and public services (such as NHS) as “citizenship rights” (Marshall 1950). Beveridge assumed that under full-employment everyone (or at least every family breadwinner) would be able to gain income from work, and only those that could not work — for instance due to old-age — would receive basic subsistence. The decision to install a universal basic pension (Beveridge model) or an earnings-related contributory social insurance (Bismarck model) thus was the crucial first step in the long development of postwar pension systems. Decisions taken at this early juncture remained path dependent even through the immediate postwar reconstitution which reconfirmed and extended these early decisions in nearly all cases. Indeed, path dependency prevailed despite two major world wars, the economic and political interwar crisis in many countries and the extension of mass democracies. Only in one country, the Netherlands, we can observe a system change from Bismarck to Beveridge after the Second World War.

## ***(1) The Bismarckian Path***

The early introduction (1889) of an “invalidity” pension insurance for workers in **Germany** was part of Bismarck’s strategy to heal some of the wounds of industrialization and tie the manual workers to the new nation-state, while repressing the rise of the labour movement (Alber 1982). Before the First World War, the German pension system entailed already its constituting future features: mandatory social insurance schemes organized into and self-administered by broad social “status” groups, with parity contributions. Pension benefits of white-collar employees aimed already at status maintenance, in line with the (non-contributory, tax financed) pensions for tenured civil servants (*Beamte*) which until today remain outside the compulsory social insurance.

Other continental European countries France, Italy and the Netherlands were among the first countries to introduce a social insurance model similar to the German Bismarckian, albeit not as fast and as far reaching. In **France**, a contributory statutory “Workers and peasants pension scheme” was installed in 1910 with insurance based but small pensions. Though following the Bismarckian model legislation in France has not been as extensive as in Germany. Despite the centralist state approach in France the development of the social security system is characterised by a strong corporatist tradition (Korpi 1995). In contrast to other welfare states the French have not seen the state as the main guarantor for old age security (Niemelä et al. 1996). The Beveridge report also inspired the French postwar debate about social security, however French policy makers rejected most of the central ideas and reconstructed a social insurance system in 1945 (*Sécurité Sociale*) with a statutory pension scheme (*régime général*) that offered basic provision for blue- and white-collar employees. When the general system was set up different occupational groups such as civil servants, self-employed and farmers who have already had their own schemes for several years insisted on maintaining their privileged separate systems (*régime spéciaux*). Due to a rather low ceiling on pensionable earnings, labour market organisations were encouraged to create supplementary schemes based on agreements between the social partners leading to the installation of AGIRC, an occupational supplementary pension scheme for private sector executives (Conceição-Heldt 2007).

Late-industrialiser **Italy** introduced a social insurance in the interwar period for blue-collar workers (1919) and under the Fascist regime for white-collar employees (1939). As a new nation-state, Italy also developed favourable special schemes in the civil service and public sector. Although there had been attempts to replace this *occupazionalismo* by a more universalist social security system, these efforts failed given the still large agricultural labour force, small craft and commercial shops, a semi-feudal regime in the South, and a political patronage tradition, thus institutionalizing the particularist–clientelist character of the post-war Italian pension system (Ferrera 1993).

The situation in **Switzerland** has been somewhat different due to the decentralized political system and uneven industrial development. Although there had been debates about the introduction of a public pension scheme since the late 1880s the first referendum on old age security at the Federal level failed in 1931, thus no final decision was made until after WWII which facilitated further development of occupational pension plans. With regards to public old age provision Switzerland is therefore a real latecomer among the Bismarckian countries, and it embraces Bismarckian earnings-

related social insurance with Beveridgian universal basic pension principles. When the first public contributory, earnings-related pension scheme (AHV-AVS) for all residents was finally installed by popular referendum in 1948 the lack of public old age provision in the first half of the 20<sup>th</sup> century had fostered the early expansion of occupational pension plans and more than a quarter of the population have already been covered by these plans.

## ***(2) The Beveridge Path***

The contrasting model to the Bismarckian social insurance emerged first in **Denmark** as early as 1891. The idea of a contribution based social insurance scheme has been discussed but at the end a means-tested, tax-financed old age assistance was introduced as an extension of the poor laws emphasising poverty alleviation and the maintenance of a minimum living standard. In contrast to Germany Denmark was still a more agricultural society with only a small industrial workforce therefore the first pension system mainly reflected farmers' interests (Niemelä, 1996). Denmark's tradition of a tax-financed public basic pension was reconstituted after WWII and the former particularistic old age assistance scheme was expanded into a universal but still means-tested pay-as-you-go National Pension in 1956 under a Social Democratic led government. At the same time the attractiveness of private (occupational and individual) pensions was increased by the introduction of generous tax incentives (Green-Pedersen 2007).

In Great Britain a Bismarckian social insurance was also refuted after long political debates between Liberals and Conservatives, industrial and rural interests (Baldwin 1990). Despite **Britain's** flourishing mutual self-help institutions ('friendly societies'), poverty in old age became a pressing problem especially for the less skilled. In 1909, the Liberal government introduced a non-contributory, flat-rate, and means-tested pension financed by general taxes. Although contributory National Insurance was later introduced for health insurance and industrial unemployment (1911), as well as in 1925 a contributory pension for "early" retirement at 65 (in addition to the existing tax-paid scheme), the constitutive element was the basic pension. Britain's 1946 reform of the old age and invalidity pension provided however relatively low benefits, thus neither poverty was eroded, nor were the pensions sufficient for skilled workers and white-collar employees to maintain their living standard in old age.

**Sweden** rejected Bismarckian-type social insurance proposals (which had been opposed by farmers and employers), enacting in 1913 a universal, tax-financed "people's pension" for "all citizens regardless of class or income" (Baldwin 1990: 83), though it also contained a means-tested supplement. Between the two World Wars the financing principle was changed from funding to pay-as-you-go and eligibility criteria were improved. In the 1940s first discussions started about complementing the basic pension with an earnings-related pension. However, after the Second World War, the universal flat-rate pension remained largely unchanged in non-combatant Sweden, though it was restructured in 1946 into a more generous people's pension (*AFP – Allmän Folkpension*)

**Table 1: The first juncture: Bismarck vs. Beveridge**

		Formation (before / around WWI)	Reconstitution (after WWII)	
Germany	Bismarckian	1889 blue-collar 'invalidity' insurance 1911 white-collar pension insurance	1949 restoration law (pre-war scheme)	Bismarckian
Italy		1919 blue-collar insurance 1939 white-collar insurance	1950 no income limit 1952 two-tier pension	
France		1910 contributory (workers & peasants)	1945 <i>régime general</i>	
Switzerland		–	1946 universal earnings-related pension	
Netherlands		1913 old age insurance for workers	1947 means-tested pension 1956 universal flat-rate basic pension	
Great Britain	Beveridgian	1908 means-tested flat-rate pension 1925 contributory old-age pension	1946 basic old-age and widow pension	Beveridgian
Sweden		1913 basic minimum pension with means-tested supplement	1946 tax-financed basic old-age and widow pension	
Denmark		1891 means-tested old age assistance	1956 tax-financed National Pension	

Source: Flora 1987: Appendix Vol. IV; Immergut et al. 2007; GOSPE-Project country chapters.

### ***(3) The Bismarck to Beveridge Path***

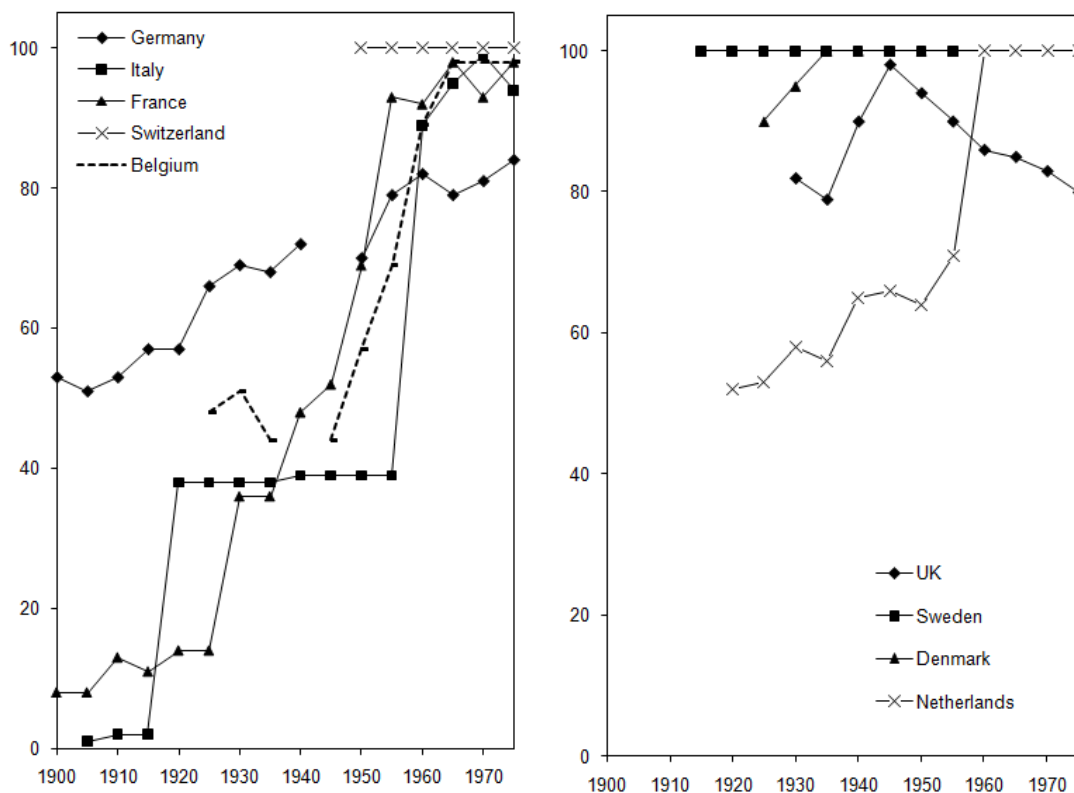
The exceptional case in public pension development is the Netherlands, switching from a Bismarckian corporatist pension insurance to a Beveridge basic pension system. An important feature of the Dutch society in the context of the first social security system has been its division into various groups along ideological and religious lines. Each of these groups had its own school systems, civic organisations and voluntary social security arrangements until the first common public pension scheme for manual and white-collar workers was introduced in 1913 strongly influenced by the Christian groups. The pension system was characterised by low coverage and small benefits. Later a separate scheme for public servants (1922) and a scheme for miners (1933) were set up. Unlike Germany, Italy and France, the **Netherlands** did not stay with its Bismarckian-type of pension system after the Second World War. The exile-government during the war was stationed in London and strongly influenced by the Beveridge model (Anderson 2007). As a consequence a means-tested pension was introduced by the Emergency law (*Noodwet*) for everyone over 65 independent from the previous employment record in 1947 and thereby switching towards a Beveridge pension model. Eleven years later the means-tested pension scheme was replaced by a universal flat-rate basic pension (AOW - *Algemene Ouderdoms Wet*) completing the transition into a Beveridge pension system. A special feature of the Dutch pension system was however that long before the General Old Age Pension Act was passed the private industry had introduced voluntary pension schemes applicable to a sector of industry or to individual firms. As benefits from and coverage by the public pension scheme had been rather low occupational pensions developed and expanded in order to satisfy the social needs. Legally binding pension

schemes were introduced in several industries in 1949. When the statutory basic pension was introduced policymakers had to solve the issue of how to treat wage earners already covered by occupational pensions. This led to the tight coupling between the state pension and occupational pensions. Occupational pension rights only accrue for income above the AOW gross benefit and if public pensions decrease occupational pensions have to complement this gap (Anderson 2007).

#### (4) *The Extension of the Two Paths*

The first juncture in the development of the public-private pension mix in Western European welfare states is characterised by the decision for a Bismarckian- or a Beveridge-type of pension system. The first decision was taken before the 1950s by nearly all countries except Switzerland and the Netherlands. Germany, Italy and France set up systems classified as Bismarckian pension systems long before and Switzerland shortly after the Second World War and then reconfirmed this decision thereafter, whereas Denmark, Sweden, and Great Britain installed Beveridge-type of pension systems and then extended these after the war. The Netherlands remain the main exception in switching from a Bismarckian tradition to a Beveridge system, first as a post-war emergency measure and then as a universal basic pension.

**Fig. 1: Coverage rate of state pensions (% labour force), 1900 – 1975**



Source: Flora et al. 1983: Vol. I, Chap. 7.

The difference in the evolution of public pensions between Bismarckian social insurance and Beveridgeian universal basic pension is also evident from the coverage of the population. The former schemes are only partially and stepwise inclusive as they extend to ever more occupational group,

whereas the latter universal scheme extends to all citizens. Figure 1 provides the long-term development of coverage of public pensions in relation to the labour force across these European countries from 1900 until 1975. Given the occupational contribution based social insurance principle, coverage in Bismarckian countries remained initially lower than for basic pension systems that were with few exceptions immediately extended to the entire population. Among the Bismarckian systems, Germany had the highest coverage rate (above 50%) already before the First World War, covering all blue-collar workers and since 1911 also white collar employees outside agrarian workforce, and increasing over the interwar period (to 70%). Italy and France were much later in extending their bases of insured people beyond 20%, after the First World War in Italy and in the 1930s in France. After Germany, the Netherlands had the second highest level of pension insurance coverage during the interwar period (until the Netherlands switched to universal basic pensions in 1957), but both countries increased the level of coverage only partly in the immediate post-war period, while France and Italy increased coverage by extension to all groups of employees and the self-employed. Among the Beveridge-systems, Sweden, Denmark, and the Netherlands (since 1957) coverage is by definition all inclusive with the exception of the UK, where contributory national insurance coverage varies across time.

## **2. The Second Juncture: Postwar Public or Private Income Maintenance**

Economic growth and increasing wages in the late 1950s inspired the debate about extensive social security systems in order to find a solution for the growing gap between living standard during employment and retirement income. The concern for **income maintenance** in old age became the dividing issue of the second juncture in the evolution of the public-private pension mix. To the degree that European welfare states developed generous basic pensions and/or earnings-related social insurance, occupational pensions assumed a less important role after the Second World War (Esping-Andersen 1996; Kangas and Palme 1996). However, collective schemes negotiated by the social partners assumed the function of public second-tier pensions in France, Switzerland, and the Netherlands, while negotiated supplementary pensions became common in Sweden, and later in Denmark, very recently in Germany.

### ***(1) Bismarck plus and crowding out***

The aim of status maintenance was even further advanced in **Germany** by earnings-related benefits from the mandatory pension schemes paid by pay-roll taxes. In the second post war phase, the period of rapid economic growth, the German pension reform of 1957 introduced a new formula, increased contribution rates, and most importantly changed from funded to pay-as-you-go financing, allowing to provide better benefits to current pensioners, including the refugees from the East.

Moving somewhat towards a British Beveridge-orientation, the **Italian** system introduced in the 1950s two tier benefits (flat-rate plus earnings-related) and a minimum pension for those without sufficient contribution records, yet the poverty problem became again pressing in the 1960s when social funds were allocated for improved minimum pensions. The expansion of pension insurance to

agricultural labour, and the self-employed had also helped reducing poverty. At the same time, following its clientelist pitfall, the civil servants pension conditions were improved in several steps (Ferrera 1984). With the exception of employees in the public sector and banking, special occupational pensions were not common in Italy until government efforts sought to foster private pensions since the 1990s. However, a functional substitute to occupational pension is the „end-of-service pay“ (*trattamento di fine rapporto*), an accumulated portion of wages that is paid by the employer as a lump-sum severance pay upon exit (Di Biase *et al.* 1997). First common as a deferred wage in collective bargaining, the Tfr was made mandatory for all employers in the 1982.

## **(2) Bismarck lite and crowding-in**

The improvement of benefit levels and the expansion of coverage have also been on the political agenda in **France** but especially with regards to the national occupational pension schemes. Next to AGIRC for higher salaried employees a second national occupational pension scheme, ARRCO, was established for other private sector employees in 1961 and the participation in these schemes has been made compulsory the same year (Conceição-Heldt 2007).

Similar to the other Bismarckian countries, the post-war years of welfare state expansion in **Switzerland** are characterised by the gradual improvement of the public pension pillar mainly with regards to benefit levels and eligibility criteria. However, due to the fact that pension benefits in contrast to pension contributions are only related to earnings between a small stretch of a lower and an upper income ceiling, pension income from the public pillar resembles more a basic pension. With nine reforms of the AHV/ AVS pension scheme between 1951 and 1976, the Swiss public pillar went through a comparatively high number of reforms. During that time there has been an attempt by the Communist Party to change the pension system further towards the Bismarckian ideal type. The right-of-centre government reacted with a counter-proposal drawing the attention to the occupational pillar introducing the idea of mandatory occupational coverage for all employees. In a national referendum on this issue in 1972 a broad majority of the Swiss population decided for the government-backed proposal to make the second pillar mandatory. However, the introduction of legislated mandatory occupational pensions (*Obligatorium*) occurred only in 1985, thus coverage is extended to all employees for about 25 years only. Economic problems caused by the oil crisis and uncertainty about the exact nature of the compulsory schemes delayed the introduction for more than ten years (Queisser and Vittas 2000).

## **(3) Beveridge plus early or late and partially?**

The most exceptional development of Beveridge basic pension development was the introduction of a second-tier earnings related state pension in **Sweden**. The blue-collar union movement in Sweden had called for a statutory superannuation scheme similar to the one that many white-collar employees enjoyed from company pension plans. The Social-Democratic government discovered that, although manual workers were in favour of their proposal, the “white-collar wage earners, in turn, were the wild card in the hand played for superannuation” (Baldwin 1990). After a popular referendum on the

issue in 1957, the break-up of the Left-Agrarian coalition, electoral gains into white-collar votes by the Social-Democrats, and a one-vote majority in parliament, a supplementary compulsory pension scheme (ATP) for all wage earners (and self-employed with contracting-out option) was legislated in 1959. Yet by the time of ATP, white-collar unions had negotiated occupational pensions, and the blue-collar unions also negotiated occupational pensions (STP) in 1971, initially with the aim to provide „earlier“ retirement two years prior to the statutory public pension age of 67 (Wadensjö 1997). After statutory retirement age changed to 65 in 1977, the STP became supplementary pensions financed with pay-as-you-go employer contributions, though it was turned into a funded scheme in 1996. In the public sector, there are two other major collective schemes, which have been negotiated for the central government and local public sector (Wadensjö 1997). It is interesting that all the other Beveridge systems did not move as far as Sweden, they were either late or only incompletely adding supplementary state pensions, leaving thus more space for private pension development.

At the same time of the ATP-reform a top-up state pension was introduced in **Great Britain** based on earnings and known as “graduated pension scheme” (1959). However “the need to resolve with one blow the subsistence and superannuation issues” (Baldwin 1990: 211) limited the contributory “graduated pension”. This insufficient supplementary scheme led many white-collar employees but also skilled workers to abstain from “contracting in”, and relying instead on their more favourable occupational company pensions. With the increasing inflationary pressures since the oil shock in 1973, the low flat-rate and insufficient supplementary state scheme called for reform in 1975. The graduated scheme became wound up in 1978 with the phasing-in of the mandatory “supplementary earnings-related pension scheme” or SERPS (Lynes 1997). The contribution to the supplementary pension are paid by the employer, who can also decide to contract out of this general pay-as-you-go scheme and join an occupational pension if it offers at least a ‘guaranteed minimum benefit’. Except for the civil (and armed) services which have special schemes (non-contributory, tax-financed, and non-funded pensions), a larger share of wage earners (including public employees without civil servant status) had joined occupational pensions and most (90%) were in opt-out schemes in the 1980s.

#### ***(4) Beveridge lite and crowding in***

Beginning in the early post-war period the **Dutch** society had become more secular and the societal division less important during the 1950 and 1960s which made the development and expansion of the national social security system easier (Niemelä et al. 1996). During this time public pension benefits and coverage were improved but similar to Denmark the role of the public pension pillar was mainly to provide a socially acceptable minimum income for everyone and not to provide earnings-related benefits. The income maintenance goal that was also pursued by the Dutch was to be fulfilled in combination with occupational pension schemes that were designed to supplement statutory benefits.

The **Danish** golden years of welfare development are characterised by two major trends supported by strong economic growth and full employment. First, the gradual extension and improvement of the existing National Pension especially with regards to coverage, entitlement rules

(dismantling of means-test) and benefits and second, the increasing importance of private occupational and personal pension schemes. The attempt to create a statutory earnings-related pension such as in Sweden has not been successful and the focus largely remained on the National Pension. In 1964 a statutory funded pension (ATP) was introduced as a reaction to the demands of the blue-collar workers' union (LO) to supplement the basic National Pension. However, the importance of this scheme was rather limited as contributions were based on the number of hours worked and not on income. Especially for middle and higher income groups the ATP pension did not provide a sufficient supplement to maintain the former living standard during retirement. Moreover, most groups were already covered by occupational pension schemes. Therefore the process of public pension expansion occurred parallel to an increased importance of the market to cover the demand for income maintenance resulting in a dual or two pillar pension system (Nørby Johansen 1986).

**Table 2: The second juncture: Bismarck / Beveridge Plus or Lite**

	State Pension		Private Pension	OP
<b>Germany</b>	<b>1959</b> expansion (equivalence, PAYG) <b>1972</b> further social rights	<b>Bismarck</b>	<b>plus</b> Occupational pension: topping up 1972 occupational pension regulation	┐
<b>Italy</b>	<b>1960s</b> expansion of pensions, minimum pension, public debt			┐
<b>France</b>	<b>1945</b> regime general:flat-rate		<b>lite</b> 1947 CA (cadres); 1961 CA (workers) <b>1972 mandatory semi-public OP</b>	H
<b>Switzerland</b>	<b>1946</b> universal earnings-related pension			H
<b>Great Britain</b>	1959 graduated pension <b>1975 second pension (SERPS)</b>	<b>Beveridge</b>	<b>plus</b> <b>1979 opt-out OP</b> <b>1986 opt-out PP</b>	M
<b>Sweden</b>	1946 tax-financed basic pension <b>1960 second pension (ATP)</b>			(M)
<b>Netherlands</b>	<b>1947</b> means-tested pension <b>1956</b> universal flat-rate basic pension		<b>lite</b> <b>1947 erga omnes CA</b> 1997 pension accord	H
<b>Denmark</b>	<b>1956</b> tax-financed National Pension 1960 only flat-rate ATP			M

Source: Flora 1987: Appendix Vol. IV; Immergut et al. 2007; GOSPE-Project country chapters. Notes:

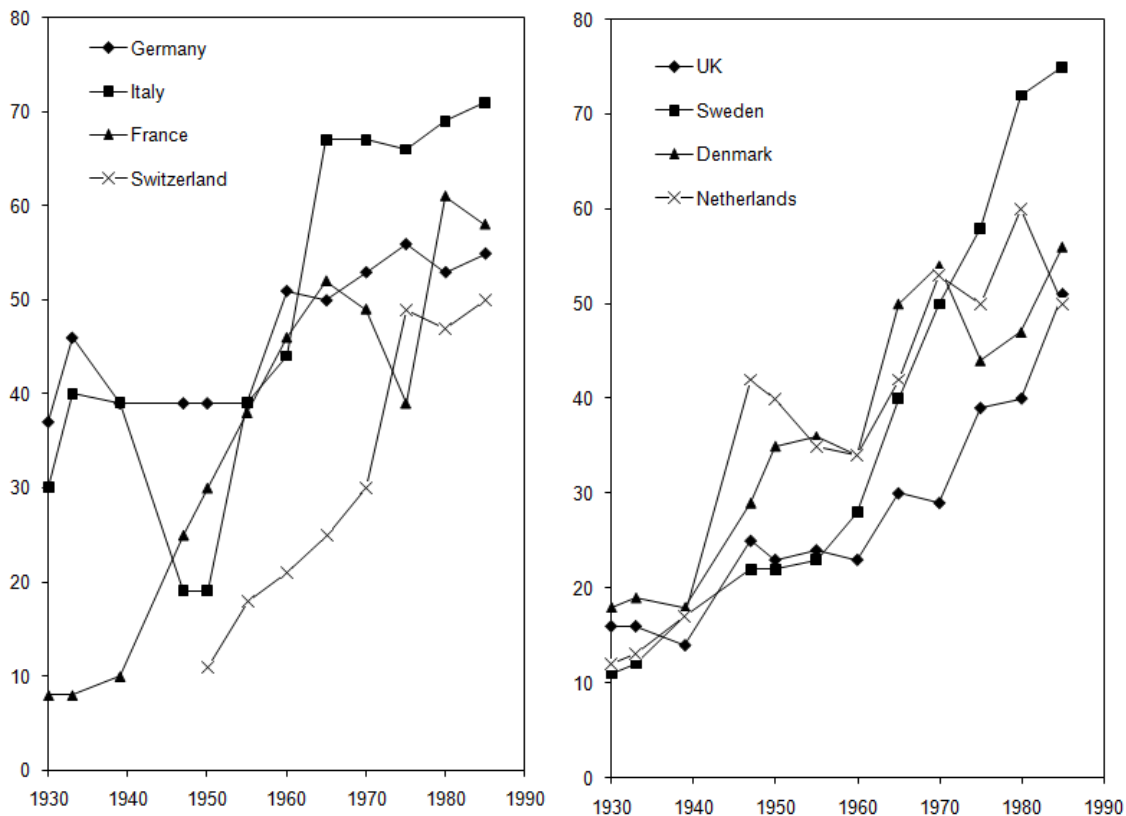
### *(5) Crowding out / in revisited*

The historical overview of state and occupational pensions reveals the different national trajectories and legacies, following a path of major decisions: first, the introduction of a Bismarckian or Beveridge-type of pension system and the reconstruction after WWII, then the general expansion in scope and benefits and the rise of supplementary schemes to fill in the gap left by less generous statutory pension systems, and the consequences for the parallel development of occupational pensions. The British and Swedish welfare states, despite efforts to introduce social insurance elements, had first introduced a basic flat-rate pension scheme for all citizens, while the German and later the Italian systems institutionalized an earnings-related social insurance based on occupational groups. These

different choices in social solidarity, however, had important consequences for the emergence of a second system of supplementary pension (British SERPS, Swedish ATP), whereas the German and Italian schemes introduced in addition to their 'industrial-achievement' (Titmuss 1974) oriented social insurance redistributive measures (contribution year credits in Germany, social pensions in Italy).

The basic decisions in state pensions (basic vs. earnings-related pensions) entailed important consequences for the development of occupational pensions. Given the low flat-rate basic pension and the 'opt-out' option of the incompletely developed superannuation schemes in Britain, the developmental niche left to non-state pensions was largest here among the four countries. Sweden, on the other hand, indicates that superannuation in combination with a basic pension system can take a different route, especially when trade unions of blue and white-collar workers have the power to press and negotiate statutory supplementary and collective occupational plans. In the social insurance systems, occupational pensions never assumed such an important role for old age income, nevertheless many employers provided occupational schemes in Germany and end-of-service payments in Italy. Today, all governments propagate private pension funds as a solution to the long-term financial problems of the pay-as-you-go public systems, but whether such second-tier systems can actually fill the gap remains to be seen. Indeed, one needs to take a closer look at the interaction of coverage and benefits, as well as other aspects of occupational pensions to understand the functional logic and the stratification impacts of private pension solutions.

**Fig. 2: Net replacement rates of state pensions (%), 1930 – 1990**



Source: Palme 1990

### 3. Third Juncture: Institutional Change and Path Departure

Rising mass unemployment, increased early-retirement and inflationary pressures following the first oil crisis in 1973 together with on-going demographic changes have caused increasing public deficits. European welfare states had grown to their limits (Flora 1986). The public financing of pension systems, in particular the pay-as-you-go systems predominant in the Bismarckian pension systems but also existent in most of the Beveridge-type countries were called into question, first and most radically in Britain but also with the public deficit crisis in Italy and Sweden in the early 1990s. Yet retrenchment policies in the 1980s and early 1990s were rather gradual and incremental, particularly in Germany and France, but even “Reagan and Thatcher’s efforts to reshape pension systems were strongly constrained by the structure of programs already in place” (Pierson 1994: 73). Nevertheless, even in the Bismarckian countries, path departure from previous path dependent development occurred through pension reforms that change the public-private mix and introduce new layers of private pensions.

In **Great Britain**, the Conservative government’s plans of turning the inherited, recently installed supplementary scheme (SERPS) from a pay-as-you-go to a funded system faced opposition due to the “double-payment” problem: “Employees (and employers) were asked to continue making National Insurance contributions to pay for current retirees while making mandatory contributions to private schemes to fund their own retirement” (Pierson 1994: 61). Paying tribute to the concerns of the middle-class electorate, large-scale employers, and pension fund managers, the government adopted a gradual strategy, phasing-in diminished SERPS benefits and furthering opting-out to occupational and private plans in the hope for a “withering away of social insurance” (Erskine 1997: 140). The 1995 Pension Act, following the EU rulings on equal treatment in private pension, phased in equal pension age of 65 over the next two decades. It also established minimum solvency regulations for occupational pensions after the public outcry over the Maxwell affair when the pension fund lost its investments in the bankrupt conglomerate. Coverage of private pensions among lower-income groups remained relatively low due to the personal pension plans’ high costs. For this reason, the New Labour government introduced a more affordable Stakeholder Pension Scheme in 2001. New Labour government reformed also SERPS as a state second pension (S2P) in 2002. Moreover, employers increasingly turn the DB into DC schemes, thus ever more people will receive DC benefits depending with personalized financial risks.

The **Swedish** pension system was longer unaffected from economic crisis and reform commissions had discussed proposal for over a decade, yet with the financial and unemployment crisis since the early 1990s, more drastic changes were made to the “Swedish model”. The early retirement for labour market reasons (“58.3” scheme) was abolished in 1991, and the tax reform reduced some of the tax benefits of the deferred wage, that is occupational pensions. More importantly, the ATP superannuation system, at the moment that it reached full maturation after thirty years, is now being changed from a defined benefit to a defined contribution scheme. It also replaced the ‘15-and 30-year’ rules (which calculated benefits based on the best 15 out of 30 contribution years) by benefits calculated by the entire working-life cycle income (Ståhlberg, 1997: 50).

Given the declining employment of blue-collar industrial workers, the negotiated occupational scheme (STP) was the first to come under financial pressures, and the unions and employers agreed to change it to a partially funded system (Palme 1997).

Given the impact of the economic crisis from the 1970s and large public budgetary deficits the **Danish** old age security system has also been increasingly under pressure in the early 1980s. However, instead of introducing cut back measures in the public pension pillar, the left parties proposed the taxation of interest gains from occupational and private pension plans in order to boost public finances. Although the idea failed, it was reanimated by the new centre-right government after its unsuccessful attempt to dismantle the popular National Pension. In contrast to other European welfare states the Danish public pension pillar was largely spared from reform measures during the 1980s, partly due to economic recovery (Green-Pedersen 2007: 476). At the same time, the expansion of earnings-related occupational pensions had been discussed. While the Social Democrats and the blue-collar unions (LO) argued in favour of a mandatory central pension fund controlled by the unions, the bourgeois government and the Social Liberals opposed this. After long negotiations between parliament, government and unions occupational pensions were introduced as part of collective agreements in 1991 (Green-Pedersen 2007: 483). In 1997 the Special Pension (SP) was introduced as a temporary new element of the first pension pillar. This funded pension scheme with contributions of 1% of gross income was mainly set up to curtail consumption as part of a short-term economic package. However, SP made permanent in 1998 and the link between contributions and benefits was tightened in 2001 in order to achieve more actuarial fairness. While civil servants have a statutory pension scheme and other public employees are covered by a collective occupational pension, only one-third of employees in the private sector had an employer-provided occupational pension in the 1980s. However, since 1991, when the metal workers pushed for a collective agreement on occupational pensions, rapid improvements were made in expanding negotiated third-tier pensions, about two decades after the Swedish development (Green-Pedersen and Lindbom 2002).

In the **Netherlands** the government reacted to the increasing financial pressures by suspending basic pension (AOW) increases in the 1980s leading to a real value decline in benefits. This strategy was continued throughout the 1990s, public pension benefits were either frozen or made dependent on the economic development. Besides the general resentment among the pensioners, the social partners and pension fund managers vehemently criticised the suspension of benefit increases, especially because of the tight coupling between the public and occupational schemes obligating the latter to compensate for AOW decreases. As a consequence occupational pension funds shifted during the mid-1990s/ 2000s to individual franchise de-coupled from the AOW. In fact, this step increased pension fund costs but it also increased the predictability of benefit expenses. Following pressures from the government in 1997, occupational schemes that allowed early retirement were transformed from pay-as-you-go DB to funded flexible DC pensions, lowering the financial incentives to exit from work early (Rein and Turner 2001).

**Germany**, relying largely on payroll tax and a pay-as-you-go pension system, faced the financial repercussions of the aggravated labour market and changing demographics more

immediately. The implications of the extensive use of the early retirement and the integration of East Germany after unification posed major challenges to the Bismarckian pay-as-you-go system increasing social contributions and putting pressures on reducing benefits. While the 1992 pension reform was still consensual in reducing early retirement pathways, pension reform in the late 1990s remained politically contentious and the new red-green government undid in 1999 a reduction of benefits by its predecessor. However, the new government soon realized the inevitability of reforms and reduced public pension benefits, while also introducing a new private pension and fostering occupational pension development to make up for the future retirement income gap. The Riester Pension Reform of 2001 introduced a new voluntary private pension, including tax-incentives for lower income groups. The accompanying reforms also opened up new opportunities for unions to negotiate collective agreements on deferred wages; it also enables the reorganization of the exiting firm-provided occupational pensions as well as the supplementary pension scheme in the public sector.

In **Italy**, a few measures were legislated in the early 1980s to check inflationary pressures caused by pensions (change in the rules of the end-of-service allowance) and the abolition of dual wage and cost-of-living indexation of pension benefits (Ferrera 1984). However, real changes came relatively late, in the 1990s, when the old *partitocrazia* was discredited and the financial markets and European Monetary Union required a drastic, overdue policy change. Given the long-term built up public deficit (due to increased government spending without parallel expansion of taxation) and the fragmented but well entrenched pension system, radical reform proposals were difficult to push through. In times of severe political crisis under the left-center and later technocratic governments, the pension reform was negotiated with the unions in 1995, deciding on the major long-term changes in the pension system which were phased in: a gradual increase of retirement age to 65, less favorable benefit rules for new comers to the system, a rationalization of the over 50 state pension plans, regulating the accumulation of pensions (and also income) (Ascoli 1996). Since the pension reforms of the 1990s, the severance pay arrangements are gradually converted to occupational pensions. After earlier decrees (1993), new regulations for the supplementary pension schemes were also introduced by the new left-center government in 1997, giving rise to a number of collective agreements for defined-contribution schemes (partially incorporating the existing end-of-service allowances). Moreover, large parts of the public sector were now brought under 'private law', following a government-union agreement.

The first reaction to the increasing financing issues in the old age security system in **France** was to increase contributions such as in Germany. Realising those contributions could not be continuously increased without causing other problems, the government started to introduce incremental benefit cuts in the early 1990s by a quid pro quo strategy between the government and the social partners, yet this was abandoned in the late 1990s. The dramatisation of the pension system situation had created a climate of uncertainty which was used by policy makers to encourage individual pension savings and at the same time to launch some more radical cut backs in the public pillar. Early retirement incentives were cut back and the contribution period of the civil servants scheme was adapted to the required contribution period of the general pension system (regime general). Several agreements on

occupational pensions during the 1990s aimed at stabilizing the pay-as-you-go second tier pensions. The 2003 Fillon Reform and more recent reform of the special regimes (2007/8) aimed at further changes of the public pensions in both private and public sector to increase contribution periods and introduce DC elements, though these changes have not been completely introduced. A new voluntary personal pension (PERP) was introduced in 2003.

In **Switzerland**, as a consequence of the broad agreement about the functionality of the existent three-pillar pension system, the public pension pillar did not experience a major restructuring process in the 1990s and 2000s in contrast to most other European countries. The plan to cut back public pension benefits failed in 2003. More significant reforms were launched with regard to the occupational pension pillar. In 1994 the portability of pension rights was improved in order to adjust to the growing labour market mobility. Another reform step carried through in 2003 comprised the adaptation of occupational pension benefits to increasing life expectancy. The initially demanded extension of coverage for atypical workers was rejected, instead the earnings threshold which opens access to mandatory occupational schemes was lowered and coverage thereby expanded.

**Table 2: The third juncture: Path departure?**

	<b>State Pension</b>	<b>Occupational &amp; Private Pensions</b>
<b>Great Britain</b>	2002: reform of second SP 2006: phasing in age 68	<b>1995: regulation of Ops</b> 2001: stakeholder PP
<b>Switzerland</b>	2003 failed pension reform	<b>1984 mandatory OP</b> 1994/2003 regulatory changes
<b>Netherlands</b>	1992 indexation of benefits 1997 reserve fund	<b>1997 convent on OP reform</b> 2006 OP regulation
<b>Sweden</b>	<b>1994/9 pension reform: earnings-related (NDC) SP</b> ; means-tested BP	<b>1999: mandated PP</b> (part of SP); change to DC of collective OPs
<b>Italy</b>	<b>1995+ pension reform: NDC</b> , harmonization, - > age 65	2000 voluntary PP <b>2005/6 Tfr transfer to OP</b>
<b>Denmark</b>	no reform of national pension possible, except "special pension" PP	<b>1991 collective OP</b> (metal) <b>1997/8 mandated PP</b> (part of SP)
<b>Germany</b>	1990s/2000s <b>reduction</b> of state benefits; phasing in age 67	2001/4 <b>voluntary PP (Riester)</b> ; <b>collective OPs</b> fostered
<b>France</b>	<b>1993</b> reform of private sector <b>SP</b> <b>2000s</b> reforms of SP	1990s: agreement on <b>OP reforms</b> 2003: voluntary PP

Notes: NDC: notional defined benefit; PP: personal pension; OP: occupational pension; BP: basic pension;  
Source: Immergut et al. 2007; GOSPE-Project country chapters.

Only in Sweden and Italy can we observe major public pension reforms that introduced notional defined benefits (NDC) and reorganized public pensions to make them sustainable for the future. Sweden is unique in switching its "path" from a Beveridge plus (basic pension plus earnings-related second pension) to a Bismarck-type contributory earnings-related, yet universal pension. Moreover, Sweden and Denmark introduced funded pensions as part of the first pillar universal

public pensions. Italy has not introduced a funded part in its public pension as Sweden, but is transferring the mandatory end-of-service pay into a private pension.

But also Germany, home of the Bismarckian tradition, introduced a new layer to its public pension system: the voluntary personal pension (Riester) and fosters collective occupational pensions as functional equivalent. The paradigm shift here is that the public pension is no longer aiming at status maintenance but through demographic factors will reduce benefits substantial and the voluntary private pension provision is meant to fill the income gap. In countries with occupational second tier pensions, Switzerland and the Netherlands, public pension reform has been less pronounced or even failed (Swiss referendum in 2003), while a regulation of occupational pension that also came under problems given the volatility of financial markets was on the political agenda. In several countries, a new efforts to negotiate occupational pensions gained momentum, such in Denmark following the 1991 metal agreement, in Germany since favourable rules for negotiated occupational pensions in the 2000s.

#### **4. Conclusions**

This paper has studied the long-term evolution of public and private pensions in ten European countries, suggesting three critical junctures that shaped the public-private mix (see Figure 4). The first juncture was the initial evolution of the public pension, the first pillar. The major decision whether to introduce a Bismarckian contributory and earnings-related pension or to turn means-tested welfare into a Beveridge-type universal basic pension for all citizens (and residents) dates back prior to or around the First World War. In all countries, except the Netherlands, the subsequent development was following a path-dependent logic, reinstalling or continuing the derived pension system after the Second World War. The Netherlands was unique in switching from a Bismarckian social insurance to a Beveridge basic pension after the Second World War, acknowledging the parallel growth of occupational pensions. While the decision of Bismarck versus Beveridge was crucial for the way in which non-employed groups receive pensions and the consequences for poverty prevention, much depends on the level of the basic pension or earnings-related minimum pensions. Thus both systems left some developmental space for supplementary occupational pensions, particularly for medium to higher income groups not satisfied with the then meagre public pensions.

Crucial for the further development of private pension, however, was the second juncture: the extension of earnings-related pensions in Bismarckian pensions or the addition of earnings-related second tier pensions in Beveridge-systems. Not all Bismarckian pension systems developed into a “Bismarck Plus” system that allowed middle and upper income classes to maintain their living standards in old age without private pensions. Germany and Italy extended pensions thanks to pay-as-you-go financing and economic growth, though Italy accumulated increasingly public debt for its generous social benefits. Two meagre Bismarckian pensions, France and Switzerland, left much to the social partners or employers to add earnings-related supplementary pensions in the postwar period. This non-decision of the government was only changed when these occupational pensions were made mandatory in 1972 and 1984 respectively.

In the Beveridge systems, Sweden was exceptional in introducing a large-scale earnings-related second state pension in 1960, while Denmark failed to do more than a flat-rate supplement. Britain introduced its SERPS only in 1978, by that time employer-induced occupational pensions had been widespread and were allowed to opt-out of the second state pensions, as are individuals contracting a personal pension since 1986. In the Netherlands and Denmark, public basic pension remained without a second state pension, instead occupational pensions developed, already early in the Netherlands and much later in Denmark.

The last third juncture is the recent transformation of the public-private pension mix. Some of these changes have been relative path dependent in retrenching rather meagre public pensions and expanding the need for private pensions, though this increased also the need to regulate increasingly these occupational and personal pensions. Yet there were also important path *departing* developments, most notably the pension reforms in Sweden and Italy introducing NDC benefits. Also notable were the introduction of funded pension elements in public first pillars (Sweden, Denmark) and the introduction of voluntary personal pensions in Germany. Institutional change occurred here often parallel in public and private pensions: reduction of the former increased the push for expansion of the latter. The introduction of new private pension elements, following a layering strategy, allowed bringing about transformative change without altering the main principal of the public pension. Yet, in the long-run these institutional changes may be the first steps towards a more substantial change in the public-private mix to come in the future.

## References

- Andersen, J. G., and Larsen, C. A. (2002). *Pension Politics and Policy in Denmark and Sweden: Path Dependencies, Policy Style and Political Outcome*, XI World Congress of Sociology. Brisbane.
- Anderson, K. M. (2007). 'The Netherlands: Political Competition in Proportional System', in E. M. Immergut, K. M. Anderson and I. Schulze (eds.), *The Handbook of West European Pension Politics*. Oxford: Oxford University Press, 713-757.
- Ascoli, U. (1996). 'Retirement System Reform: Is Italy Moving Toward an Increasingly Minimal Welfare State?' in E. Reynaud, L. Roberts, B. Davies and G. Hughes (eds.), *International Perspectives on Supplementary Pensions: Actors and Issues*. Westport: Quorum Books, 114-126.
- Baldwin, P. (1990). *The Politics of Social Solidarity: Class Bases of the European Welfare States 1875-1975*. Cambridge: Cambridge University Press.
- Blomsma, M., and Jansweijer, R. (1997). 'The Netherlands: Growing Importance of Private Sector Arrangements', in M. Rein and E. Wadensjö (eds.), *Enterprise and the Welfare State*. Cheltenham, UK: Edward Elgar, 220-265.
- Bonoli, G. (2001). 'Political Institutions, Veto points, and the Process of Welfare State Adaption ', in P. Pierson (ed.), *The New Politics of the Welfare State*. New York: Oxford University Press, 238-264.
- (2003). 'Two Worlds of Pension Reform in Western Europe'. *Comparative Politics*, 35/4 (July): 399-416.
- Conceição-Heldt, E. d. (2007). 'France: Some Failed and Successful Attempts to Reform the French Pension System', in E. M. Immergut, K. M. Anderson and I. Schulze (eds.), *The Handbook of West European Pension Politics*. Oxford: Oxford University Press.
- Ebbinghaus, B. (2006): *Reforming Early Retirement in Europe, Japan, and the USA*, Oxford: Oxford University Press.

- Esping-Andersen, G. (1996). 'Conclusion: Occupational Welfare in the Social Policy Nexus', in M. Shalev (ed.), *The Privatization of Social Policy?: Occupational Welfare and the Welfare State in America, Scandinavia and Japan*. Basingstoke: Macmillan, 327-338.
- Green-Pedersen, C. (2007). 'Denmark: A "World Bank" Pension System.' in E. Immergut, K. Anderson and I. Schulze (eds.), *The Handbook of West European Pension Politics*. Oxford: Oxford University Press, 454-495.
- Hacker, J. S. (2005). 'Policy Drift: The Hidden Politics of US Welfare State Retrenchment', in W. Streeck and K. Thelen (eds.), *Beyond Continuity: Institutional Change in Advanced Political Economies*. Oxford: Oxford University Press, 40-82.
- Hinrichs, K. (2000). 'Elephants on the Move: Patterns of Public Pension Reform in OECD Countries'. *European Review*, 8/3: 353-378.
- Immergut, E. M., Anderson, K. M., and Schulze, I. (eds.) (2007). *The Handbook of West European Pension Politics*. Oxford: Oxford University Press.
- Kangas, O., and Palme, J. (1996). 'The Development of Occupational Pensions in Finland and Sweden: Class Politics and Institutional Feedbacks', in M. Shalev (ed.), *The Privatization of Social Policy? Occupational Welfare and the Welfare State in America, Scandinavia and Japan*. Basingstoke: Macmillan, 211-240.
- Larsen, C. A., and Andersen, J. G. (2006). *Mechanisms of Path Dependency in the Development of the Danish Multipillar Pension System*, Conference on Welfare State Change: Conceptualisation, Measurement and Interpretation. St. Restrup Herregaard, Denmark.
- Lynes, T. (1997). 'The British Case', in M. Rein and E. Wadensjö (eds.), *Enterprise and the Welfare State*. Cheltenham, UK: Edward Elgar, 309-351.
- Myles, J., and Pierson, P. (2001). 'The Comparative Political Economy of Pension Reform', in P. Pierson (ed.), *The New Politics of the Welfare State*. Oxford / New York: Oxford University Press, 305-333.
- Niemelä, H., Salminen, K., and Vanamo, J. (1996). *Converging social security models? The Making of social security in Denmark, France, and the Netherlands*, 10. Helsinki: The Social Insurance Institution Finland.
- Nørby Johansen, L. (1986). 'Denmark', in P. Flora (ed.), *Growth to Limits: The Western European Welfare States Since World War II. Volume 1: Sweden, Norway, Finland, Denmark*. Berlin: Walter de Gruyter, 293-381.
- Palier, B., and Bonoli, G. (1995). 'Entre Bismarck et Beveridge: "Crises" de la Sécurité Sociale et Politique(s)'. *Revue française de science politique*, 4/45: 668-699.
- Pierson, P. (1994). *Dismantling the Welfare State? Reagan, Thatcher and the Politics of Retrenchment*. Cambridge: Cambridge University Press.
- Queisser, M., and Vittas, D. (2000). *The Swiss Multi-Pillar Pension System: Triumph of Common Sense?* Washington: The World Bank.
- Rein, M., and Rainwater, L. (eds.) (1986). *Public/Private Interplay in Social Protection: A Comparative Study*. Armonk, N.Y./London: Sharpe.
- Schludi, M. (2005). *The Reform of Bismarckian Pension Systems : A Comparison of Pension Politics in Austria, France, Germany, Italy and Sweden*. Amsterdam: Amsterdam University Press.
- Shalev, M. (1996). 'Introduction', in M. Shalev (ed.), *The Privatization of Social Policy? Occupational Welfare and the Welfare State in America, Scandinavia and Japan*. Basingstoke: Macmillan, 1-23.
- Titmuss, R. M. (1974). *Social Policy. An Introduction*. London: Allen & Unwin.
- Weaver, K. R. (1986). 'The Politics of Blame Avoidance'. *Journal of Public Policy*, 6/4: 371-398.
- Whiteside, N. (2006). 'Adapting Private Pensions to Public Purposes: Historical Perspectives on the Politics of Reform'. *Journal of European Social Policy*, 16/1: 43-54.